

FOR IMMEDIATE RELEASE June 15, 2006

FACT SHEET

TOBACCO BONDS PRICED & SOLD TODAY AT ATTRACTIVE RATES

\$100 MILLION IN PROCEEDS TO BE SENT TO PENSION FUND NEXT WEDNESDAY

New York -- \$100 million in tobacco bonds (\$105.6 million par amount) intended to fund the City's Retirement System were priced at 7.125% and sold entirely to institutional investors earlier this morning in New York. The yield compares very favorably with a similar transaction that occurred May 11th in which the State of Michigan, a much larger government entity selling a significantly greater number of bonds, received a yield of 7.3%. The 7.125% the City's bonds received is also lower than the 7.2% reported to the City Council a few weeks ago when the transaction was authorized. Over the course of the next few days, documents will be executed. The proceeds will be wire transferred to the Retirement System next Wednesday.

Over the past few days, tentative orders were taken. The lowest order was for \$15 million with the highest order being for \$45 million worth of bonds.

Public Resources Advisory Group (PRAG) acted as the City's financial advisor in the transaction. Citigroup acted as the Senior Manager with Lehman Brothers, E.J. De La Rosa & Company, and M.R. Beal & Company serving as co-managers. Hawkins Delafield & Wood served as bond counsel and disclosure counsel for the transaction.

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